



Independent Budget Analyst Report on San Diego Fire-Rescue Needs and Funding Plan

Ad Hoc Fire Prevention and Recovery Committee
May 19, 2008

Overview



- Preliminary Report (Feb 08)
- Identified Areas to be addressed:
 - Complete an update of the Comprehensive Public Safety Needs Assessment of Fire-Rescue
 - Provide an outline of a funding plan

Purpose



- Identifying Unfunded Needs
 - History
 - Unfunded Needs
 - Service impacts
- Funding Solutions
 - History
 - Funding Options
 - Other Municipalities



Identifying Unfunded Needs

Identifying Unfunded Needs



History

- Fire and Lifeguard Facilities Improvement Program
- 2004 Public Safety Needs Assessment
- Accreditation Study

Identifying Unfunded Needs



- Fire Facilities
- Lifeguard Facilities
- Deferred Maintenance
- Staffing needs
- Helicopter
- Brush Management
- Operational needs
- Infrastructure needs

Identifying Unfunded Needs



Updated Needs Assessment		
Identified Unfunded Needs	CAPITAL	OPERATING
	COST	COST
	(or one-time)	(annual)
FIRE FACILITIES (Detailed in Report)	83,999,930	11,407,556
LIFEGUARD FACILITIES (Detailed in Report)	25,918,902	
DEFERRED MAINTENANCE	10,000,000	
STAFFING NEEDS		12,995,500
HELICOPTER (Copter 2)	12,900,000	
BRUSH MANAGEMENT		600,000
OPERATIONAL NEEDS	381,000	441,000
INFRASTRUCTURE NEEDS	11,010,000	173,000
SUBTOTAL	\$144,209,832	\$25,617,056

Identifying Unfunded Needs

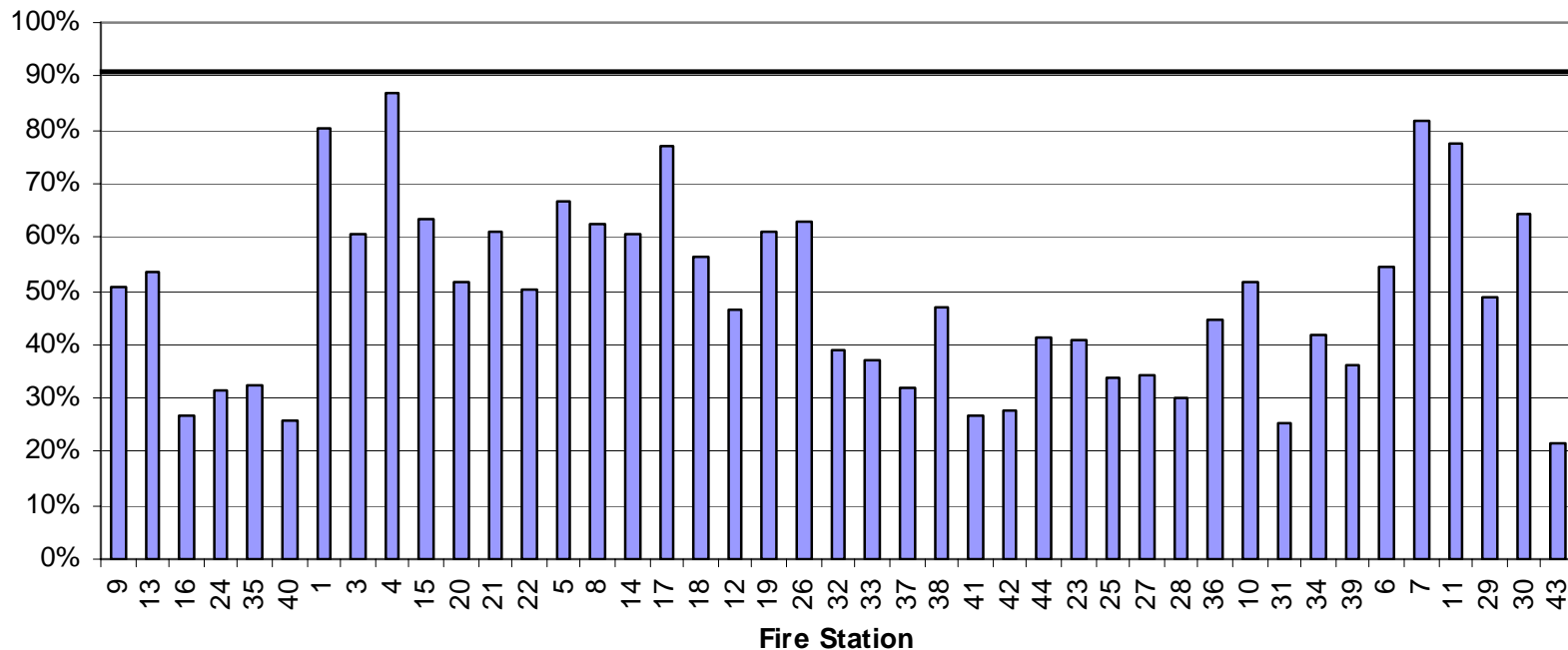


Additional Stations needed to Achieve Accreditation		
Identified Unfunded Needs	CAPITAL	OPERATING
(Phased in approach)	COST	COST
	(or one-time)	(annual)
Additional 5 Fire Stations (Total of 5)	42,500,000	11,400,000
Additional 5 Fire Stations (Total of 10)	42,500,000	13,300,000
Additional 5 Fire Stations (Total of 15)	42,500,000	13,300,000
Additional 7 Fire Stations (Total of 22)	59,500,000	17,100,000
Total of 22 Additional Fire Stations	\$187,000,000	\$55,100,000

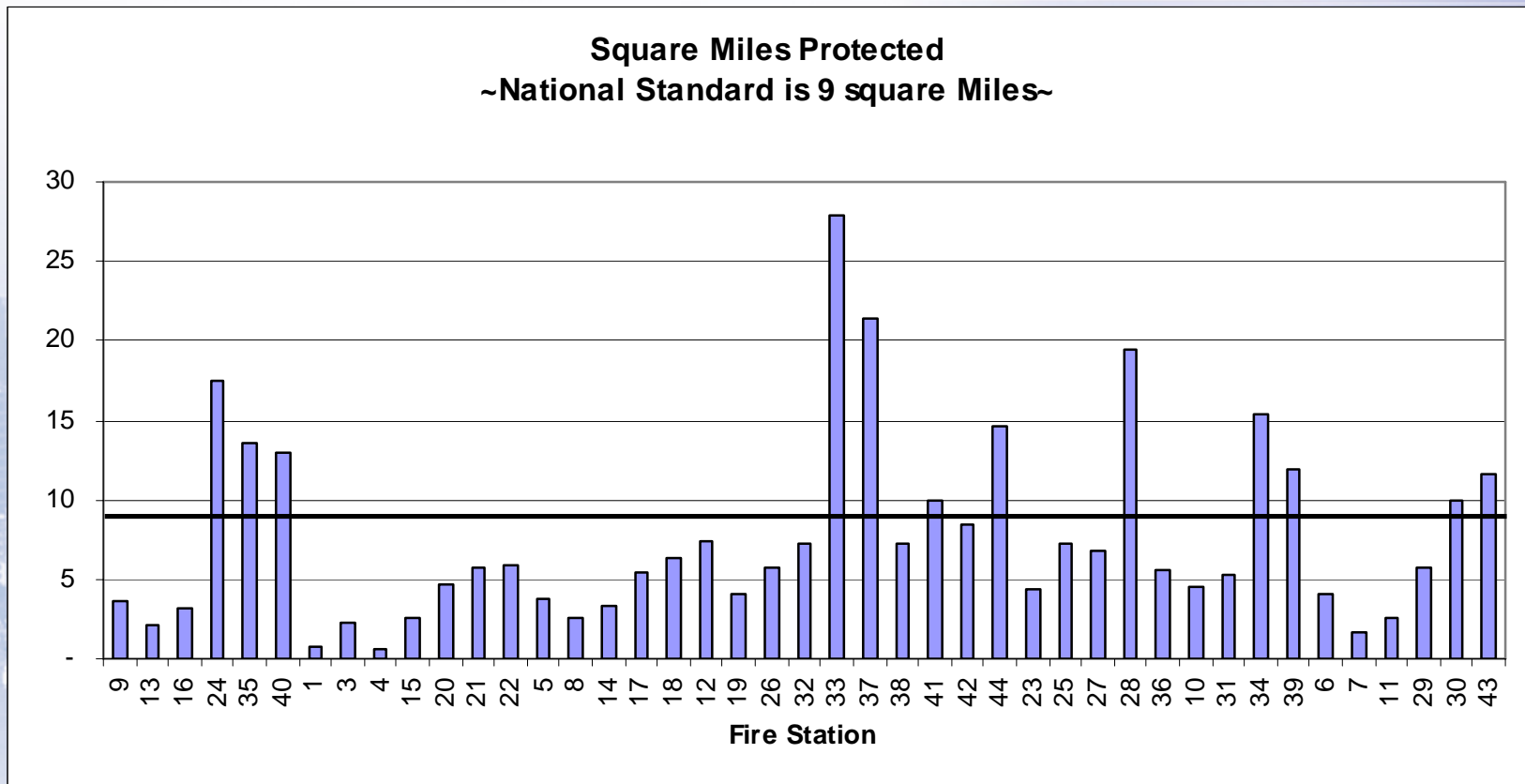
Identifying Unfunded Needs



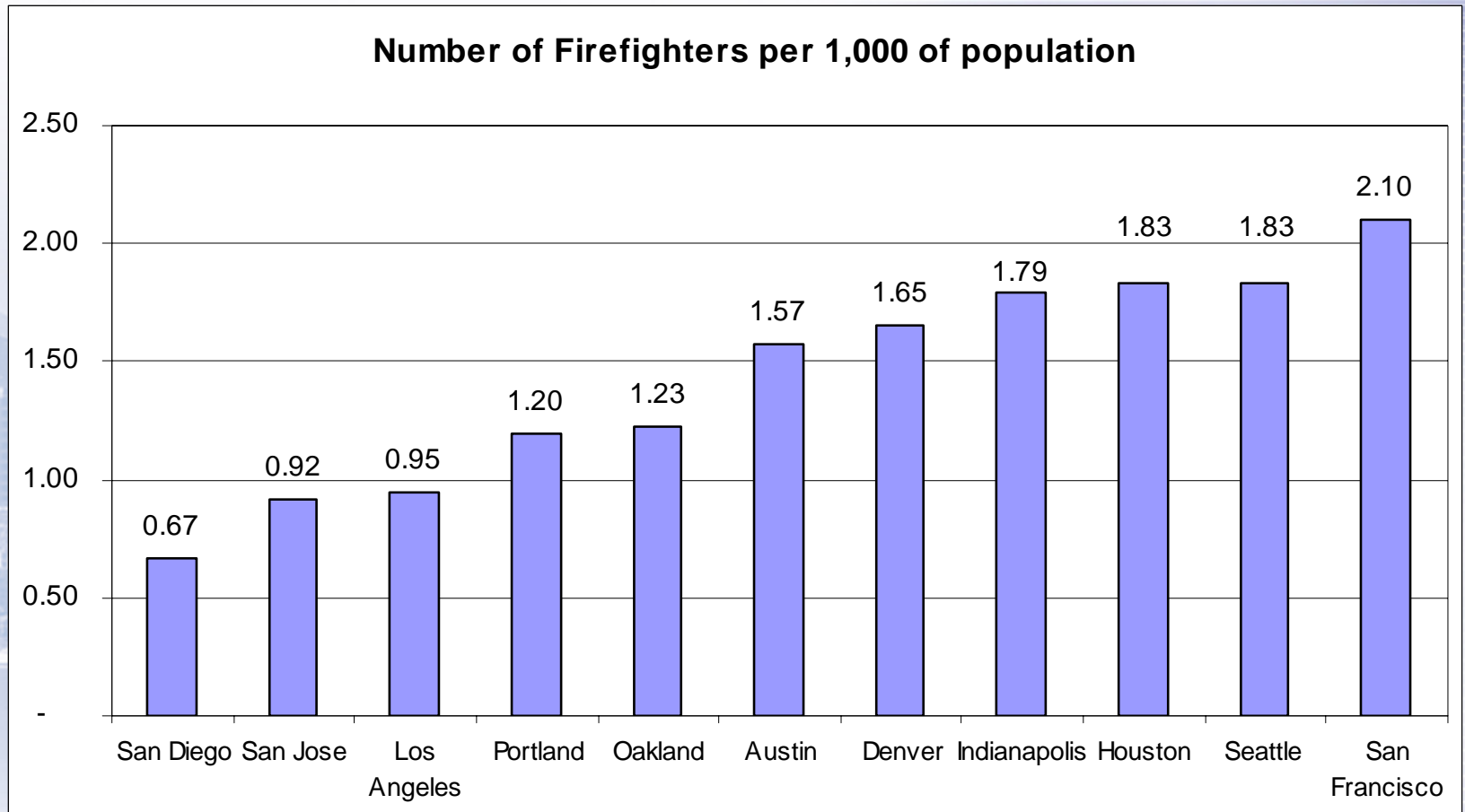
COMPLIANCE RATE for First-In Response Time
~National Standard is 5 minutes, 90% of the time~



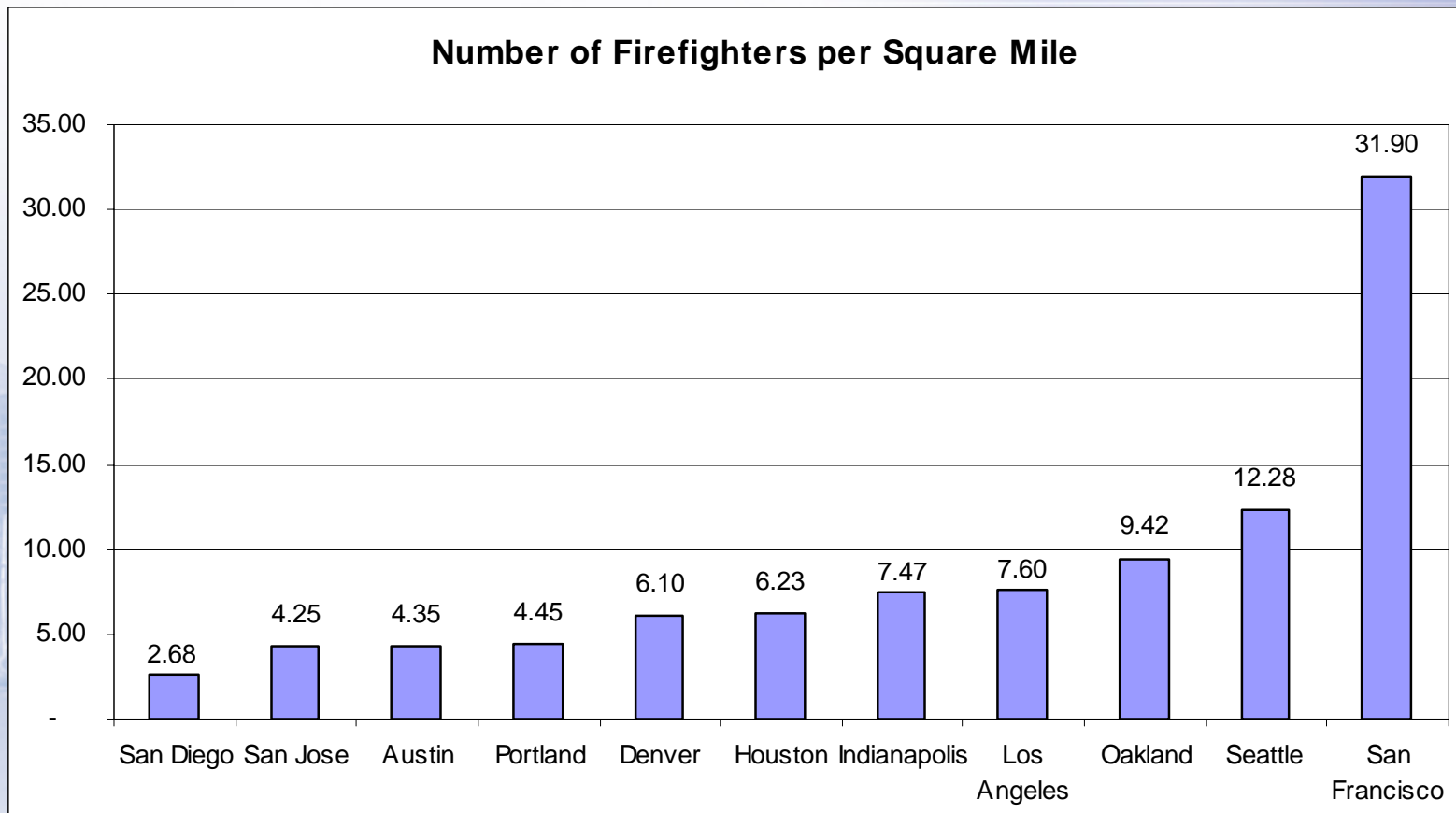
Identifying Unfunded Needs



Identifying Unfunded Needs



Identifying Unfunded Needs



Identifying Unfunded Needs



- Other Needs
- Fire Station Master Plan
- 2007 After Action Report
- Mayor's Regional Fire Committee



Funding Solutions

Funding Solutions



- History
- Funding Options
 - Sales Tax Increase
 - Parcel Tax Increase
 - Transient Occupancy Tax Increase
 - Property Transfer Tax Increase

Funding Solutions



SALES TAX SCENARIOS	
Proposed Increase	Additional Revenue Generate
0.10%	\$23.9 m
0.15%	\$35.9 m
0.25%	\$59.9 m

Funding Solutions



PARCEL TAX SCENARIO

Annual Tax Assessed by Residential Unit and Commercial Parcel:

Single Family Detached Homes	\$54.49	\$108.98	\$163.47	\$217.96	\$326.94
Attached Homes/Mobile Homes	\$57.23	\$114.47	\$171.70	\$228.93	\$343.40
Commercial/Industrial	\$445.56	\$891.11	\$1,336.67	\$1,782.22	\$2,673.33
NET REVENUE COLLECTED	\$25 m	\$50 m	\$75 m	\$100 m	\$150 m

Funding Solutions



TRANSIENT OCCUPANCY TAX SCENARIOS		
Current Rate	Total City Revenue Generated	
10.50%	\$162,625,787	
Proposed Increase to TOT	Additional Revenue Generate	New TOT Rate
1.00%	\$15,488,170	11.50%
1.61%	\$25,000,000	12.11%
3.23%	\$50,000,000	13.73%

Funding Solutions



PROPERTY TRANSFER TAX SCENARIOS				
City's Rate	<u>\$0.55</u> \$1,000	<u>\$0.89</u> \$1,000	<u>\$1.48</u> \$1,000	<u>\$2.95</u> \$1,000
Total City Revenue*	\$9,307,713	\$15,000,000	\$25,000,000	\$50,000,000
City charge on the sale of a \$500,000 home	\$275	\$443	\$739	\$1,477
County's Rate	<u>\$0.55/</u> \$1,000**	<u>\$1.10/</u> \$1,000	<u>\$1.10/</u> \$1,000	<u>\$1.10/</u> \$1,000
County charge on the sale of a \$500,000 home	\$275	\$550	\$550	\$550
Total rate charged to public	<u>\$1.10/</u> \$1,000	<u>\$1.99/</u> \$1,000	<u>\$2.58/</u> \$1,000	<u>\$4.05/</u> \$1,000
Total charge to public on the sale of a \$500,000	\$550	\$993	\$1,289	\$2,027

* Based on Fiscal Year 2007 revenue; Source: Financial Performance Report (Charter Section 39 Report)

** The county's rate is actually \$1.10 per \$1,000, but the City's conforming rate of \$0.55 per \$1,000 is credited against the county rate.

Funding Solutions



- Proposition 172 Funds
- Financing Mechanisms
 - General Obligation Bonds
 - Lease Revenue Bonds
 - Service Fees
- Grant Funding

Funding Solutions



Other Municipalities Examples

- City of Los Angeles
 - Fire Facilities Bond
 - Citywide Public Safety Bond
- City of El Cajon

Conclusion



Goal of report:

- Quantify fire safety needs
- Demonstrate impact on services
- Review possible funding scenarios



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